

**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE****WTO Dispute Settlement Proceedings
Concerning U.S. Restrictions on
Cotton and Manmade Fiber Underwear
from Costa Rica**

AGENCY: Office of the United States Trade Representative.

ACTION: Notice; Request for comments.

SUMMARY: Pursuant to section 127(b)(1) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. § 3537(b)(1)), the Office of the United States Trade Representative (USTR) is providing notice that a dispute settlement panel convened under the Agreement Establishing the World Trade Organization (WTO) at the request of Costa Rica will examine a U.S. transitional safeguard restriction on cotton and man-made fiber underwear imports from Costa Rica (category 352/652) applied pursuant to the Uruguay Round Agreement on Textiles and Clothing (ATC). USTR also invites written comments from the public concerning the issues raised in the dispute.

DATES: Although USTR will accept any comments received during the course of the dispute settlement proceedings, comments should be submitted on or before April 22, 1996 in order to be assured of timely consideration by USTR in preparing its first written submission to the panel.

ADDRESSES: Comments may be submitted to the Office of the General Counsel, Attn: Costa Rica Underwear Dispute, Room 223, Office of the U.S. Trade Representative, 600 17th Street, N.W. Washington, D.C. 20506.

FOR FURTHER INFORMATION CONTACT: Alicia Greenidge, Special Counsel, at (202) 395-3026 or Demetri Boutris, Associate General Counsel, at (202) 395-3150, Office of the U.S. Trade Representative, 600 17th Street, N.W. Washington, DC 20506.

SUPPLEMENTARY INFORMATION: At the request of Costa Rica, a WTO dispute settlement panel will examine whether the United States application of a transitional safeguard on Costa Rican imports of cotton and man-made fiber underwear is consistent with U.S. obligations under the ATC. Effective June 23, 1995, the United States applied a restriction on imports of cotton and man-made fiber underwear from Costa Rica (category 352/652) (60 FR 32653, June 23, 1995). The U.S. took this action because it determined that such imports were contributing to serious damage or actual threat thereof to the U.S.

industry. The U.S. applied the restriction in accordance with Article 6.10 of the ATC, which provides that members taking unilateral action must do so within 30 days after a 60 day consultation period, which did not result in agreement. Pursuant to Article 6.10 of the ATC, the WTO Textiles Monitoring Body (TMB) automatically reviewed the case. After its examination of the case, the TMB determined that there was no serious damage to U.S. industry. However, the TMB reached a deadlock on the issue of threat of serious damage, it recommended further consultations between the U.S. and Costa Rica. No mutual solution was reached in those consultations and upon examination of the reports of the two countries, the TMB confirmed its earlier findings. Costa Rica requested consultations under Articles 4 of the WTO Dispute Settlement Understanding (DSU) and Article XXIII of GATT 1994. Consultations were held on January 18, 1996 and February 1, 1996. No mutual solution was reached during those consultations and Costa Rica requested panel review under the DSU on February 22, 1996.

Members of the panel are currently being selected. The panel will meet with the parties to the dispute twice at WTO headquarters in Geneva, Switzerland to examine the dispute. The panel is expected to issue a report detailing its findings and recommendations in six to nine months.

**Major Issues Raised by Costa Rica and
Alleged Legal Basis of the Complaint**

Costa Rica has asserted that U.S. safeguard action is incompatible with the ATC, particularly Articles 2, 6, and 8; that the action directly or indirectly nullifies or impairs Costa Rica's WTO benefits, particularly under the ATC; and therefore, the U.S. must rescind the measure.

**Public Comment: Requirements for
Submissions**

Interested persons are invited to submit written comments concerning the issues raised in the dispute. The provisions of 15 CFR 2006.13 (a) and (c) providing that comments received will be open to public inspection) and 2006.15 will apply to comments received. Comments must be in English and provided in fifteen copies. Pursuant to 15 CFR 2006.15, confidential business information must be clearly marked "BUSINESS CONFIDENTIAL" in a contrasting color ink at the top of each page.

Pursuant to section 127(e) of the URAA, USTR will maintain a public file on this dispute settlement proceeding,

which will include a list of comments received, in the USTR Reading Room: Room 101, Office of the United States Trade Representative, 600 17th Street, N.W., Washington, DC 20506. An appointment to review the docket (Docket WTO/D/96-1, "Costa Rica-United States: U.S. Safeguard Restrictions on Underwear") may be made by calling Brenda Webb, (202) 395-6186. The USTR Reading Room is open to the public from 10 a.m. to 12 noon and 1 p.m. to 4 p.m., Monday through Friday.

Irving Williamson,

Acting General Counsel.

[FR Doc. 96-7093 Filed 3-22-96; 8:45 am]

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DEPARTMENT OF TRANSPORTATION**National Highway Traffic Safety
Administration**

[Docket No. 96-025; Notice 1]

**Notice of Receipt of Petition for
Decision that Nonconforming 1990
Mercedes-Benz 500SEL Passenger
Cars Are Eligible for Importation**

AGENCY: National Highway Traffic Safety Administration, DOT.

ACTION: Notice of receipt of petition for decision that nonconforming 1990 Mercedes-Benz 500SEL passenger cars are eligible for importation.

SUMMARY: This notice announces receipt by the National Highway Traffic Safety Administration (NHTSA) of a petition for a decision that a 1990 Mercedes-Benz 500SEL that was not originally manufactured to comply with all applicable Federal motor vehicle safety standards is eligible for importation into the United States because (1) it is substantially similar to a vehicle that was originally manufactured for importation into and sale in the United States and that was certified by its manufacturer as complying with the safety standards, and (2) it is capable of being readily altered to conform to the standards.

DATES: The closing date for comments on the petition is April 24, 1996.

ADDRESSES: Comments should refer to the docket number and notice number, and be submitted to: Docket Section, Room 5109, National Highway Traffic Safety Administration, 400 Seventh St., SW, Washington, DC 20590. [Docket hours are from 9:30 am to 4 pm].

FOR FURTHER INFORMATION CONTACT: George Entwistle, Office of Vehicle Safety Compliance, NHTSA (202-366-5306).

SUPPLEMENTARY INFORMATION:**Background**

Under 49 U.S.C. 30141(a)(1)(A) (formerly section 108(c)(3)(A)(i)(I) of the National Traffic and Motor Vehicle Safety Act (the Act)), a motor vehicle that was not originally manufactured to conform to all applicable Federal motor vehicle safety standards shall be refused admission into the United States unless NHTSA has decided that the motor vehicle is substantially similar to a motor vehicle originally manufactured for importation into and sale in the United States, certified under 49 U.S.C. 30115 (formerly section 114 of the Act), and of the same model year as the model of the motor vehicle to be compared, and is capable of being readily altered to conform to all applicable Federal motor vehicle safety standards.

Petitions for eligibility decisions may be submitted by either manufacturers or importers who have registered with NHTSA pursuant to 49 CFR Part 592. As specified in 49 CFR 593.7, NHTSA publishes notice in the Federal Register of each petition that it receives, and affords interested persons an opportunity to comment on the petition. At the close of the comment period, NHTSA decides, on the basis of the petition and any comments that it has received, whether the vehicle is eligible for importation. The agency then publishes this decision in the Federal Register.

G&K Automotive Conversion, Inc. of Santa Ana, California ("G&K") (Registered Importer No. R-90-007) has petitioned NHTSA to decide whether 1990 Mercedes-Benz 500SEL passenger cars are eligible for importation into the United States. The vehicle which G&K believes is substantially similar is the 1990 Mercedes-Benz 560SEL. G&K has submitted information indicating that Daimler-Benz A.G., the company that manufactured the 1990 Mercedes-Benz 560SEL, certified that vehicle as conforming to all applicable Federal motor vehicle safety standards and offered it for sale in the United States.

The petitioner contends that it carefully compared the 1990 Mercedes-Benz 500SEL to the 1990 Mercedes-Benz 560SEL, and found the two models to be substantially similar with respect to compliance with most applicable Federal motor vehicle safety standards.

G&K submitted information with its petition intended to demonstrate that the 1990 Mercedes-Benz 500SEL, as originally manufactured, conforms to many Federal motor vehicle safety standards in the same manner as the 1990 Mercedes-Benz 560SEL that was

offered for sale in the United States, or is capable of being readily altered to conform to those standards.

Specifically, the petitioner claims that the 1990 Mercedes-Benz 500SEL is identical to the certified 1990 Mercedes-Benz 560SEL with respect to compliance with Standards Nos. 102 *Transmission Shift Lever Sequence*, * * *, 103 *Defrosting and Defogging Systems*, 104 *Windshield Wiping and Washing Systems*, 105 *Hydraulic Brake Systems*, 106 *Brake Hoses*, 107 *Reflecting Surfaces*, 109 *New Pneumatic Tires*, 113 *Hood Latch Systems*, 116 *Brake Fluid*, 124 *Accelerator Control Systems*, 201 *Occupant Protection in Interior Impact*, 202 *Head Restraints*, 203 *Impact Protection for the Driver From the Steering Control System*, 204 *Steering Control Rearward Displacement*, 205 *Glazing Materials*, 206 *Door Locks and Door Retention Components*, 207 *Seating Systems*, 209 *Seat Belt Assemblies*, 210 *Seat Belt Assembly Anchorages*, 211 *Wheel Nuts*, *Wheel Discs and Hubcaps*, 212 *Windshield Retention*, 216 *Roof Crush Resistance*, 219 *Windshield Zone Intrusion*, and 302 *Flammability of Interior Materials*.

Petitioner also contends that the vehicle is capable of being readily altered to meet the following standards, in the manner indicated:

Standard No. 101 *Controls and Displays*: (a) Substitution of a lens marked "Brake" for a lens with an ECE symbol on the brake failure indicator lamp; (b) placement of the appropriate symbol on the seat belt warning lamp; (c) recalibration of the speedometer/odometer from kilometers to miles per hour.

Standard No. 108 *Lamps, Reflective Devices and Associated Equipment*: (a) Installation of U.S.-model headlamp assemblies and front sidemarkers; (b) installation of U.S.-model taillamp assemblies which incorporate rear sidemarkers; (c) installation of a high mounted stop lamp.

Standard No. 110 *Tire Selection and Rims*: Installation of a tire information placard.

Standard No. 111 *Rearview Mirrors*: replacement of the passenger side rear view mirror, which is convex, but lacks the required warning statement.

Standard No. 114 *Theft Protection*: installation of a buzzer microswitch in the steering lock assembly, and a warning buzzer.

Standard No. 115 *Vehicle Identification Number*: installation of a VIN plate that can be read from outside the left windshield pillar, and a VIN reference label on the edge of the door or latch post nearest the driver.

Standard No. 118 *Power Window Systems*: rewiring of the power window system so that the window transport is inoperative when the ignition is switched off.

Standard No. 208 *Occupant Crash Protection*: installation of a seat belt warning buzzer. The petitioner states that the vehicle is equipped with a driver's side air bag and knee bolster, with Type 2 seat belts in the front and rear outboard designated seating positions, and with a Type 1 seat belt in the rear center designated seating position, which are all identical to components found on the U.S.-certified 1990 Mercedes-Benz 560SEL.

Standard No. 214 *Side Impact Protection*: installation of reinforcing beams.

Standard No. 301 *Fuel System Integrity*: installation of a rollover valve in the fuel tank vent line between the fuel tank and the evaporative emissions collection canister.

Additionally, the petitioner states that the bumpers on the 1990 Mercedes-Benz 500SEL must be reinforced to comply with the Bumper Standard found in 49 CFR Part 581.

The petitioner also states that before any 1990 Mercedes-Benz 500SEL may be imported, its 17 digit VIN must be inscribed on 14 major car parts and a theft prevention certification label must be installed to comply with the Theft Prevention Standard found in 49 CFR Part 541.

Interested persons are invited to submit comments on the petition described above. Comments should refer to the docket number and be submitted to: Docket Section, National Highway Traffic Safety Administration, Room 5109, 400 Seventh Street, S.W., Washington, DC 20590. It is requested but not required that 10 copies be submitted.

All comments received before the close of business on the closing date indicated above will be considered, and will be available for examination in the docket at the above address both before and after that date. To the extent possible, comments filed after the closing date will also be considered. Notice of final action on the petition will be published in the Federal Register pursuant to the authority indicated below.

Authority: 49 U.S.C. 30141(a)(1)(A) and (b)(1); 49 CFR 593.8; delegations of authority at 49 CFR 1.50 and 501.8.

Issued on: March 20, 1996.

Marilynne Jacobs,
Director, Office of Vehicle Safety Compliance.
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